QUARTERLY REPORT AND ACTIVITY STATEMENT FOR THREE MONTHS TO 31 DECEMBER 2018

Corporate

- Group available cash at the end of the quarter was $1.84 million and now stands at about $1.75 million

Sales & Operations

- Next 30,000 tonne sale of cement-grade bauxite confirmed for loading in 2nd quarter 2019 from Bell Bay port
- Mining and screening operations commenced at the Bald Hill Bauxite Project near Campbell Town, northern Tasmania, is focussed on producing bauxite that is suitable for blending with stockpiled bauxite to achieve the product specifications that best suit the customer
- Sales of fertiliser-grade bauxite are growing as the customer uses ABx fertiliser-grade bauxite in the manufacture of superphosphate fertiliser products. Sales of fertiliser-grade bauxite recommenced last week

ALCORE Bauxite Refining Technology

- ABx incorporated ALCORE Limited as a wholly owned subsidiary to fund and manage the ALCORE Project, leading to the construction of an ALCORE Production Plant to produce Aluminium Fluoride (AlF_3) & valuable co-products
- The 2nd milestone was achieved during the quarter, with the ALCORE laboratory completed to lockup stage ahead of schedule and well within budget. The ALCORE Laboratory is sited within the ALCORE Research Centre at Berkeley Vale on the NSW Central Coast
- ALCORE patent (pending) technology is designed to beneficiate and refine raw bauxite with a market price of $50 into high-value products worth more than $US 800 per tonne, including:
    a. Aluminium Fluoride (AlF_3) is a key electrolyte ingredient in aluminium production by aluminium smelters. Global demand for AlF_3 and associated co-products continues to increase as aluminium production increases and the use of AlF_3 in lithium ion batteries increases;
    b. Silica fume for our cement industry customers and manufacturers of low-CO_2 geopolymer cement;
    c. Corethane which is an ultra-pure hydrocarbon that can substitute for natural gas for electricity and industrial heat generation and can be used for metallurgical use and brickmaking; and,
    d. Refractory-grade bauxite & potentially high purity alumina (HPA) for making scratch-resistant sapphire glass
- ALCORE will be the first Australian supplier of AlF_3 to the Australasian Aluminium Smelters
- Funding is in place to complete Stage 1, followed by up to 5 months of production
- Once sufficient AlF_3 is produced for rigorous testing, the pilot plant will test the production of Corethane, which will provide the fuel for heat and electrical power for the ALCORE Production Plant and will also demonstrate its use as a gas-substitute in gas turbine electrical generators and its use as a diesel substitute for fuel security purposes. Corethane has significant energy and industrial potential
- ALCORE technology is relatively low-risk because it operates at ambient temperatures and pressures
- The ALCORE business plan targets long-established, broad industrial markets with many potential buyers
- Subject to regulatory, statutory and shareholder approvals as required, the ALCORE project is holding discussions with governments, agencies and companies that have showed strong interest in both AlF_3 and the main co-products, Corethane and silica fume

Review of Binjour project located inland from Bundaberg Port, Queensland

- Binjour project total bauxite resources are 40.5 million tonnes comprising 37 million tonnes of thick gibbsite trihydrate bauxite at Binjour plateau and 3.5 million tonnes in the granted mining lease at Toondoon, located 46 kms south of Binjour [1]
- Binjour bauxite is 3 to 15 metres thick and comprises 10.4 million tonnes suitable for simple bulk mining and shipping as "DSO Bauxite[1]" and 26.6 million tonnes containing silica gel veinlets which require processing by ABx's proprietary TasTech technology to reduce silica and upgrade the Al_2O_3 content to the target production grade of 44 to 45% Al_2O_3 & 5% SiO_2 for metallurgical-grade bauxite
- Trial mining is planned to determine the optimum mining and processing needed to achieve Binjour's target production grades, which have been established by a bulk sampling program that subsampled 2,000 tonnes of drillhole samples in December 2017

1. See Resource Statement

Locations

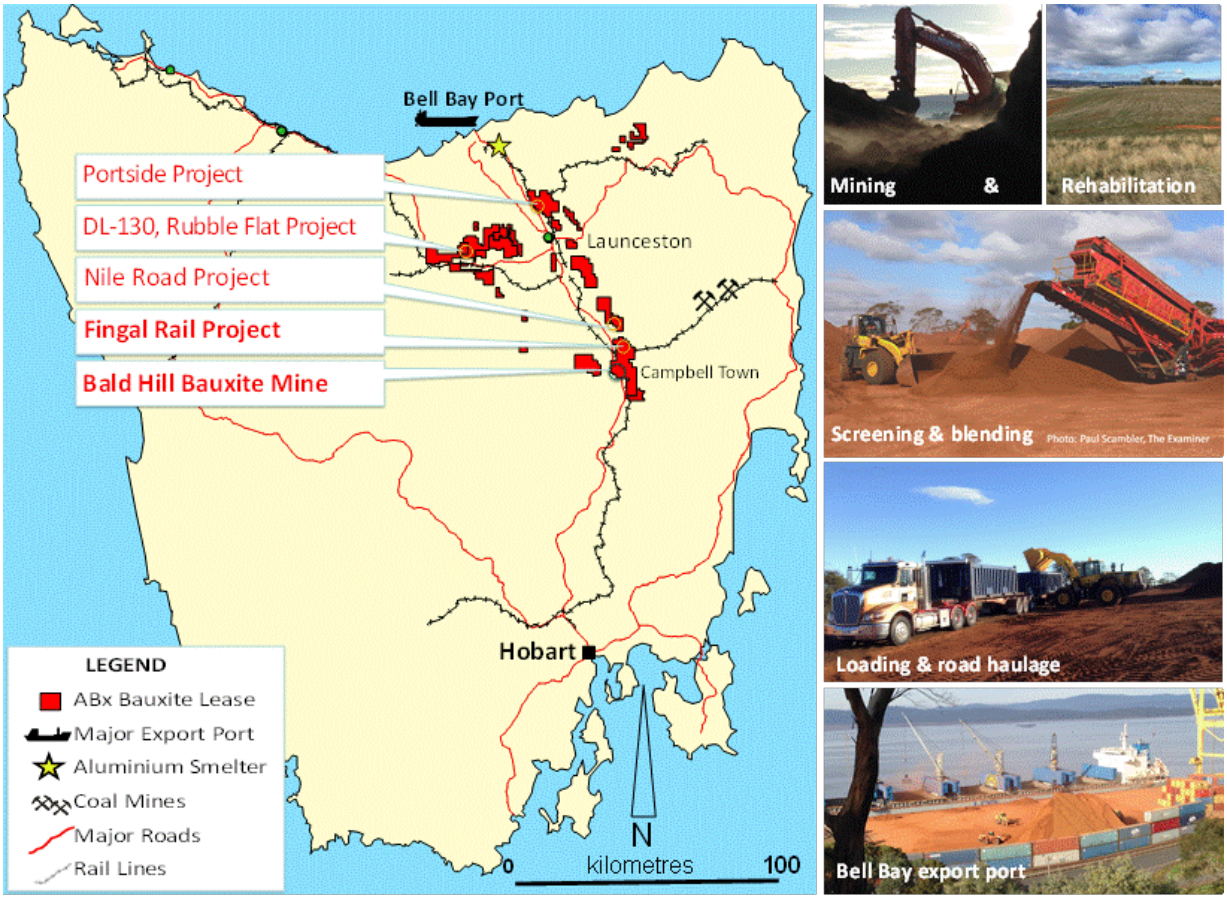


Figure 1: Locations of ABx bauxite mines, projects and transport infrastructure in Tasmania

Figure 2: Operations at Bald Hill mine, Tasmania in full swing to prepare next 30,000 tonne shipment

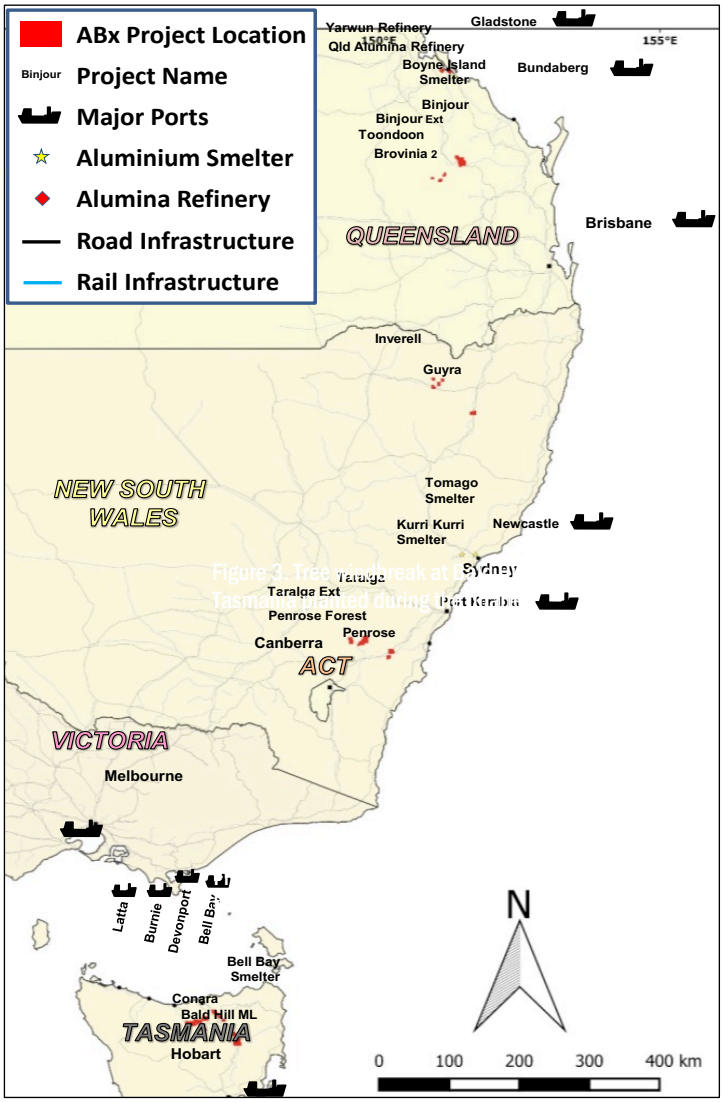
Figure 3

ABx Project Tenements & Major Infrastructure in ABx's major bauxite project areas nearest export ports in Eastern Australia as follows, from south to north:

1. **Northern Tasmania, south of Bell Bay Port**

2. **Southern NSW Taralga & Penrose pine forest west of Port Kembla**

3. **Central Queensland based on the major Binjour Bauxite Project, southwest of Port of Bundaberg which is a port that has no impact on the Great Barrier Reef.**



Sales & Operations: Bald Hill Bauxite Project, Campbell Town, Northern Tasmania

Operating Statistics – Table 1

Dispatch Date	Sale Tonnes
20/01/2016	446
8/04/2016	5,557
7/08/2016	35,913
9/09/2016	89
19/09/2017	30,000
28/09/2017	5,000
30/10/2017	669
Cement Sub Total	**77,674**
24/11/2015	195
16/03/2016	390
14/09/2016	1,500
31/01/2017	351
3/10/2017	468
13/11/2017	857
6/12/2017	704
23/03/2018	1,412
Fertiliser Sub Total	**5,877**
Total all sales	**83,551**

Product stockpiles (at mine site, blended to specification)		
Cement-grade	1,800	tonnes
Fertiliser grade	250	tonnes
Subtotal product s/piles	**2,050**	**tonnes**
Mine stockpiles (grade controlled, ready for blending)		
Metallurgical grade	2,500	tonnes
Cement-grade	44,700	tonnes
Fertiliser grade	13,558	tonnes
Subtotal mine s/piles	**60,758**	**tonnes**
Total saleable processed stockpiles	**62,808**	**tonnes**
Screened material available for classification	30,200	tonnes
Broken Ore Stocks ready for screening:	36,700	tonnes
Grand total	**129,708**	tonnes

Recent falls in the Australian dollar exchange rate are encouraging. Several sales contracts remained at the Letters of Intent stage for shipments later in the year, subject to prevailing market prices closer to the dates of shipment. Spot shipping costs are currently uncertain due to fuel quality regulation changes that commence on 1 January 2019. This situation is expected to stabilise within months.

ABx's rehabilitation program for 2019 at its Bald Hill mine will commence during 1st Qtr 2019.

Penrose Bauxite Types in Strong Demand

ABx's Penrose bauxite deposit located in a pine plantation 90km inland of Port Kembla (see Figures 3 & 8) contains a layer grading 55% Al_2O_3 and very low iron content which has potential to make special chemical products, as well as refractory bauxite. The strategy for Penrose is to have contracted customers for each layer of Penrose bauxite.

Three significant corporations are currently engaged, each interested in a different bauxite layer. The key task is to design an environmentally optimised project that will extract the maximum value from this rare quality deposit – see more details on page 7 below.

Chemical Grade Bauxite

ABx has agreed with the Aziz Group to develop and supply Chemical Grade Bauxite for the manufacture of PAC (Polyaluminum Chloride) for the treatment of industrial waste water in Bangladesh. Industrial waste water is a significant issue for Bangladesh industry and communities with large volumes of waste water from industrial plants needing to be treated.

ABx considers there is also some synergy with acid-activation technology applied to its fertiliser-grade bauxite. Activated bauxite is a powerful filtering medium for gaseous and liquid filter applications.

Aziz Group are a chemical manufacturing group in Bangladesh involved in a variety of chemical manufacturing industries and is also a long-established trading house.

ALCORE Bauxite Refining Technology

ALCORE's bauxite refining technology produces Aluminium Fluoride (AlF_3) and other co-products including the gas-substitute Corethane to power the plant and Silica Fume for the cement industry which ABx already services with its supplies of cement-grade bauxite. ABx has been in negotiations with potential customers about demand and technical specifications for its AlF_3 product. These investigations concluded that there is sufficient demand to ultimately justify a 50,000 tonnes per year AlF_3 production plant in Australia, built in 5 stages, each of 10,000 tonnes per year AlF_3 production.

ABx will initially control the marketing of ALCORE products to customers in the bauxite-alumina- aluminium industry to enhance cost-efficiency. Currently all AlF_3 used in Australian aluminium smelters is imported at prices higher than those paid by their overseas competitors. ALCORE may reverse this situation.

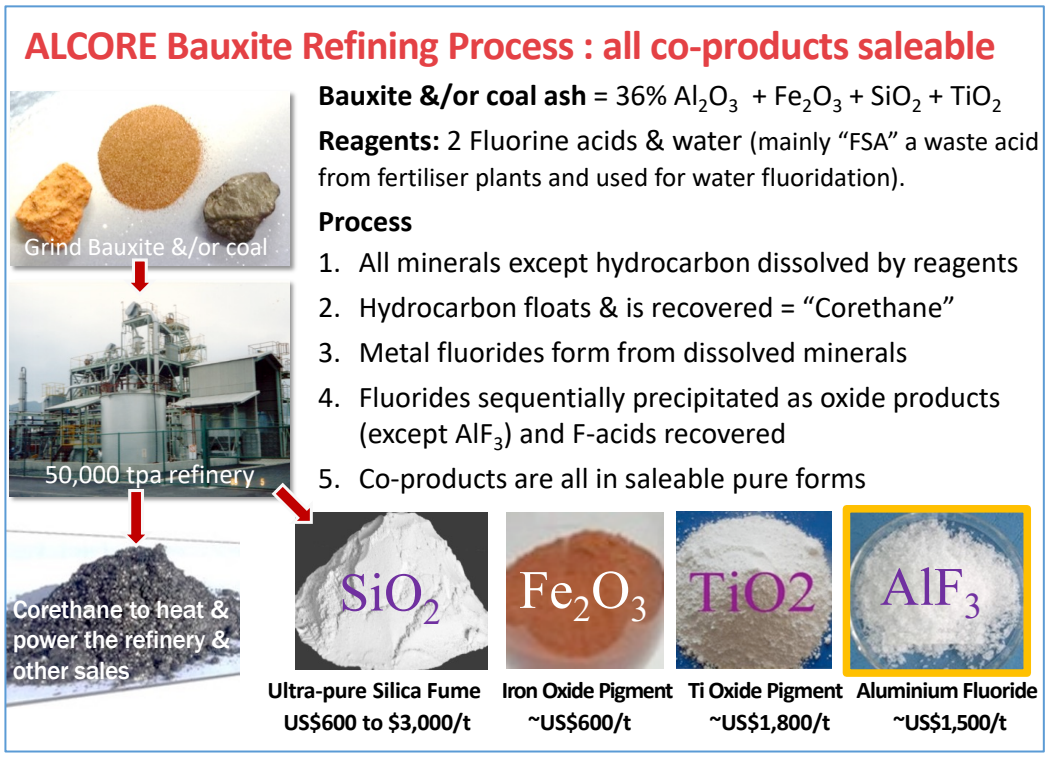


Figure 4 Summary of the ALCORE process:

1. Inputs,

2. AlF_3 product &

3. Co-products

Note: Corethane is an ultra-pure hydrocarbon to power the production plant with zero particulate emissions & CO_2 emissions similar to natural gas.

ALCORE can also sell electricity to the grid or sell Corethane to industrial customers, several of which have already expressed interest.

Summary

ALCORE's bauxite refining converts bauxite valued at approximately US$50 per tonne into a suite of products worth in excess of **$US800 per tonne of bauxite** representing a more than **10-times** increase in net value.

Competitive Advantage of ABx's clean bauxite: zero emissions & wastes: ALCORE technology exploits the uniquely clean nature of ABx bauxite, being free of deleterious elements that would inhibit ALCORE's bauxite refining efficiency. This allows ALCORE to operate with zero emissions and no waste products.

ALCORE can be located anywhere: An ALCORE project could operate anywhere in the world, importing bauxite from any supplier of clean bauxite for less than the $US50 per tonne which is being conservatively assumed in ALCORE's economic studies.

Therefore, the ALCORE Technology is not affected by resource supply issues and can be located near to its major customers, near sources of low-cost reagents, in areas of skilled and semi-skilled labour and where financial incentives are most attractive for developing these mid-sized value-adding projects.

Risk management: Proven low temperature & pressure technology and achievable product grades

The ALCORE business plan is designed to minimise the financial and technical risks as follows:

1. The technology has been successfully tested twice before, at the rate of 50,000 tonne per year in Japan in 1981-86 and at 5,000 tonnes per year capacity at Cooma NSW in 2002-07;
2. ALCORE technology operates at low temperatures & low pressures with moderate temperature control;
3. ALCORE's main products in the start-up years 1 to 5 are AlF_3, silica fume and high-grade bauxite. These products have deep, well-established markets and can be sold at moderate grades and good prices. This plan for ALCORE's initial products avoids the market risks of targeting high-purity products which can take several years of process improvements to achieve and often have very few buyers.

Figure 5: The Core Lab is a climate-controlled laboratory constructed inside the ALCORE Research Centre for the refining of bauxite to produce test samples of AlF_3 and co-products. It will become a research centre for testing its technology on many ores.

Prices for AlF_3

Prices of AlF_3 exports from China have remained firm, averaging US$1,550 per tonne in November 2018.

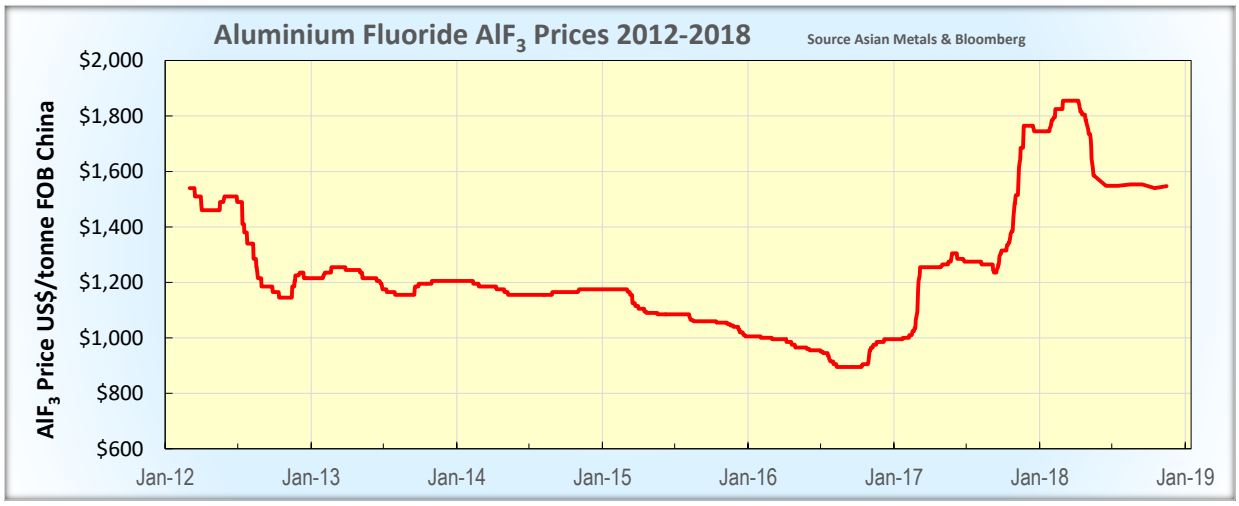


Figure 6: Export prices of AlF_3 FOB Chinese ports from March 2012 to November 2018

Binjour Project Commencing Financial Studies & Marketing Strategy

This project area is located inland from Bundaberg, central Queensland, comprising the main project area located at Binjour, 115kms SW of Bundaberg between Gayndah and Mundubbera with a granted Mining Lease at Toondoon 25kms south of Mundubbera and an exploration project at Brovinia further to the south.

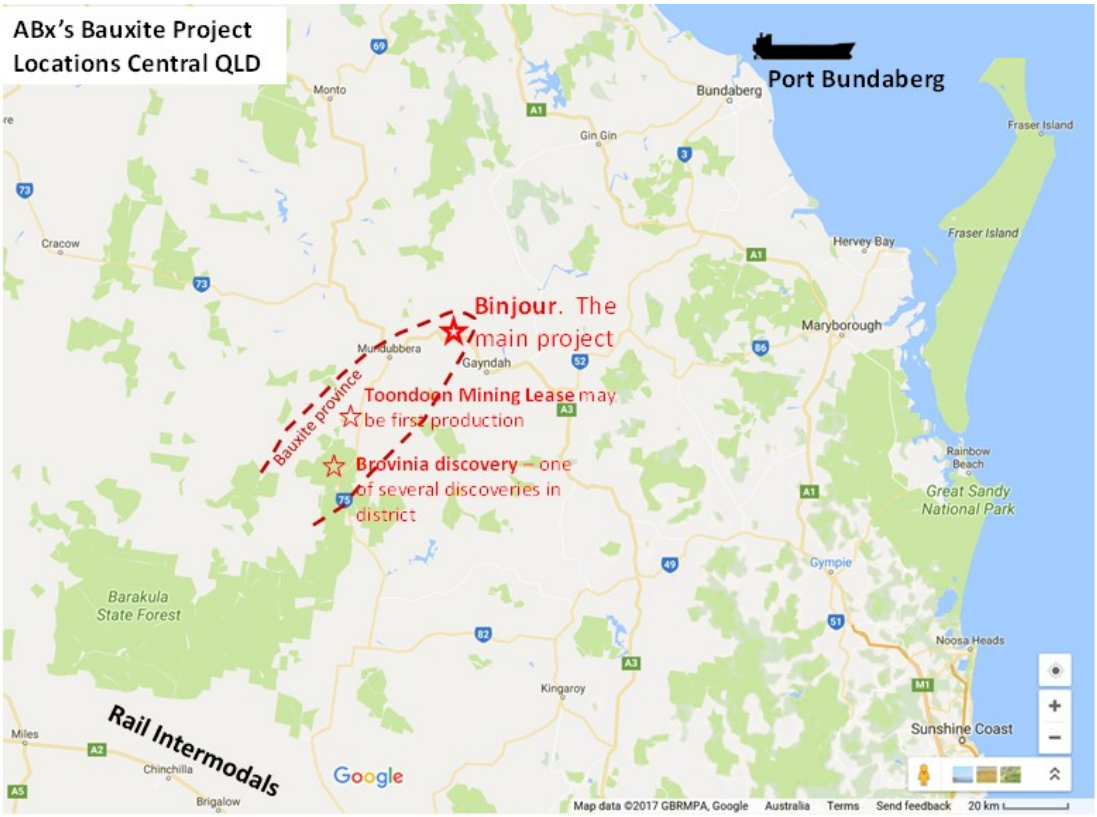


Figure 7: Location of Binjour, Toondoon and Brovinia Bauxite Project Areas

ABx and its Indian marketing partner, Rawmin Mining and Industries (**Rawmin**) are assessing the economic viability of the Binjour Bauxite project in the Wide Bay Burnett region, shipping from the Port of Bundaberg.

Mine studies: A detailed review has been completed of the project resources and potential extensions of resources, currently estimated as totalling 40.5 million tonnes from Binjour [1] and granted mining lease at Toondoon[1] 46 kms south of Binjour - see Figure 7 above.

An exploration and trial mining exercise is planned in the near future to confirm the performance of the bauxite in mining and processing. Land status studies are in progress and access agreements must now be secured.

Customers: Discussions with prospective customers have begun to firm-up and, after site visits in 3rd Qtr 2018, two parties are seeking a more formal involvement in the Binjour project. These things take time and patience.

Port of Bundaberg: ABx is in negotiations to secure an option to use a stockpile site at the Port of Bundaberg that can accommodate 175,000 tonnes of bauxite and allow barge transhipment to a deepwater site within the port limits, loading of Cape-size ships carrying 150,000 tonnes of bauxite, thus achieving lowest shipping costs.

Road Haulage: ABx has now assessed a road transport study from expert consultants to identify opportunities for cost-efficient road transport from both Binjour deposit and Toondoon mining lease. Trucking costs can now be estimated with greater certainty.

Support: ABx acknowledges the high level of support from QLD State government departments, local councils and the Port authority. Dealing with regulations is always a major challenge but local support heartens us.

1. See Resource Statement

Exploration: Penrose Pine Forest Quarry NSW

The Penrose project is located in a pine plantation adjacent to the major Hume Highway, some 90km from Port Kembla, south of Sydney NSW. A layer of grey-white, low iron bauxite that potentially could be used to produce refractory bauxite lies beneath two-metres of high grade metallurgical bauxite.

Three companies have expressed interest in joint-venturing this project. Negotiations will commence in 1st Qtr'19.

Figure 8

Location of the Penrose Bauxite project area

ABx conducted significant beneficiation research on the low-iron grey bauxite at its laboratory in Tasmania.

One company that is interested in the grey-bauxite conducted proprietary testwork on samples of that bauxite during November-December 2018 and advised that the bauxite meets its requirements.

About Australian Bauxite Limited

ASX Code ABX **Web: www.australianbauxite.com.au**

Australian Bauxite Limited (ABx) has its first bauxite mine in Tasmania & holds the core of the Eastern Australian Bauxite Province. ABx's 14 bauxite tenements in Queensland, New South Wales & Tasmania totalled 834 km² & were selected for (1) good quality bauxite; (2) near infrastructure connected to export ports; & (3) free of socio-environmental constraints. All tenements are 100% owned, unencumbered & free of third-party royalties. ABx's discovery rate is increasing as knowledge, technology & expertise grows. The Company's bauxite is high quality gibbsite trihydrate (THA) bauxite that can be processed into alumina at low temperature.

ABx has committed a large proportion of its expenditure into Research and Development to find ways to capitalise on the main strengths of its bauxite type, mainly highly clean, free of all deleterious elements and partitioned into layers, nodules, particles and grains of different qualities that can be separated into different product streams using physical, chemical and geophysical methods.

ABx has declared large Mineral Resources at Inverell & Guyra in northern NSW, Taralga in southern NSW, Binjour in central QLD & in Tasmania, confirming that ABx has discovered significant bauxite deposits.

ABx's first mine commenced at Bald Hill near Campbell Town, Tasmania in December 2014 – the first new Australian bauxite mine for more than 35 years.

ABx aspires to identify large bauxite resources in the Eastern Australian Bauxite Province, which is a globally significant bauxite province. ABx has created significant bauxite developments in 3 states - Queensland, New South Wales and Tasmania. Its bauxite deposits are favourably located for direct shipping of bauxite to both local and export customers.

ABx endorses best practices on agricultural land, strives to leave land and environment better than we find it. We only operate where welcomed.

About ALCORE Limited:

Australian Bauxite Limited (ABx) has incorporated ALCORE Limited as a wholly-owned subsidiary to fund and manage the ALCORE Project, to lead to the construction of an ALCORE Production Plant to produce Aluminium Fluoride (AlF_3) and valuable co-products, using patent (pending) new technology. The ALCORE Technology is designed to convert low grade bauxite worth $50 per tonne into a suite of valuable products worth more than $800 per tonne. Site construction works for Stage 1 of the ALCORE project commenced on 1 July as planned at ALCORE's pre-approved Research Centre in Berkeley Vale, Central Coast NSW.

Stage 1 is designed to produce AlF_3 test samples for pre-qualified aluminium smelter customers & then produce Corethane, which is pure hydrocarbon powder refined from low-value coals and has been used to provide thermal and electrical power with low CO_2 emissions when used as a gas-substitute to fuel large gas turbine. Corethane has also been used as a diesel substitute for fuel security purposes and is ideally suited for use as a sulphur-free bunker fuel.

Directors of ABx

Paul Lennon	Chairman
Ian Levy	CEO & MD
Ken Boundy	Director
Henry Kinstlinger	Company Secretary

Officers

Leon Hawker	Chief Operating Officer
Jacob Rebek	Chief Geologist
Paul Glover	Marketing, Exploration & Relationships

Qualifying statements

General

The information in this report that relate to Exploration Information and Mineral Resources are based on information compiled by Jacob Rebek and Ian Levy who are members of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Rebek and Mr Levy are qualified geologists and Mr Levy is a director of Australian Bauxite Limited.

Mainland

The information relating to Mineral Resources on the Mainland was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

Mr Rebek and Mr Levy have sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of exploration Results, Mineral Resources and Ore Reserves. Mr Rebek and Mr Levy have consented in writing to the inclusion in this report of the Exploration Information in the form and context in which it appears.

Tasmania

The information relating to Exploration Information and Mineral Resources in Tasmania has been prepared or updated under the JORC Code 2012.

Mr Rebek and Mr Levy have sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Rebek and Mr Levy have consented in writing to the inclusion in this report of the Exploration Information in the form and context in which it appears.

Disclaimer Regarding Forward Looking Statements

This ASX announcement (Announcement) contains various forward-looking statements. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements are inherently subject to uncertainties in that they may be affected by a variety of known and unknown risks, variables and factors which could cause actual values or results, performance or achievements to differ materially from the expectations described in such forward-looking statements.

ABx does not give any assurance that the anticipated results, performance or achievements expressed or implied in those forward-looking statements will be achieved.

Table 2: Tenement information required under LR 5.3.3

Tenement No.	Location
New South Wales	
EL 6997	Inverell
EL 7361	Guyra
EL 8370	Penrose Forest
EL 7357	Taralga
EL 7681	Taralga Extension
EL 8600	Penrose Quarry
Queensland	
EPM 18014	Binjour
EPM 18772	Binjour Extension
EPM 25146	Toondoon EPM
EPM 19427	Brovinia 2
ML 80126	Toondoon ML

Tasmania	
EL 7/2010	Conara
EL 9/2010	Deloraine
EL 16/2012	Reedy Marsh
EL 18/2014	Prosser's Road
ML 1961 P/M	Bald Hill Bauxite

Note:

During the quarter, no exploration licences were relinquished.

All tenements are in good standing, 100% owned and not subject to Farm-in or Farm-out agreements, third-party royalties nor encumbered in any way.

Resource Statement

Tabulated below are the Mineral Resources for each ABx Project. The initial ASX disclosure for these Resources is given in the footnotes to the table. Refer to these announcements for full details of resource estimation methodology and attributions.

Table 3: ABx JORC Compliant Resource Estimates

Region	Resource Category	Million Tonnes	Thickness (m)	Al_2O_3 %	SiO_2 %	A/S ratio	Fe_2O_3 %	TiO_2 %	LOI %	Al_2O_3 Avl @ 143°C %	Rx SiO_2 %	Avl/Rx ratio	% Lab Yield	O'Burden (m)	Int.Waste (m)
CAMPBELL TOWN AREA TASMANIA [7]	Inferred	1.3	3.0	42.6	3.5	12	25.4	3.5	24.6	36.7	3.0	12	50	2.1	0.1
	Indicated	1.4	3.2	42.5	3.2	14	26.4	3.0	24.5	36.2	2.8	14	55	1.8	0.1
	Total	2.7	3.1	42.5	3.3	13	25.9	3.3	24.5	36.5	2.9	13	52	2.0	0.1
Fingal Rail Cement-Grade Bauxite [8]	Inferred	2.4	3.3	30.9	19.5	–	35.4	3.9	16.7	–	–	–	–	1.9	0.1
	Indicated	3.9	3.8	31.1	19.0	–	35.2	4.0	16.9	–	–	–	–	1.7	0.1
	Total	6.3	3.6	31.0	19.2	–	35.3	4.0	16.8	–	–	–	–	1.8	0.1
DL-130 AREA TAS [1]	Inferred	5.7	3.8	44.1	4.3	10	22.8	3.1	25.0	37.6	3.2	12	55	1.5	0.1
	Total Tas	14.7	3.6	38.2	10.5	n.a.	28.7	3.5	21.4	n.a.	n.a.	n.a.	54	1.7	0.1
BINJOUR QLD [2]	Inferred	14.2	4.3	40.7	7.3	6	24.7	4.3	22.1	32.3	6.7	5	80	8.5	0.3
DSO, Screen & Cement	Indicated	22.8	4.0	33.5	19.2	2	24.9	4.2	16.8	15.8	17.4	1	63	6.6	0.3
	Total	37.0	4.1	44.1	3.6	12	23.1	3.7	24.6	39.0	3.0	13	61	8.9	0.3
TOONDOON QLD [3]	Inferred	3.5	4.9	40.2	7.2	6	25.3	4.9	21.7	32.8	5.2	6	67	1.5	0.0
TARALGA S. NSW [4]	Inferred	9.9	3.1	40.4	5.7	7	24.6	4.1	22.2	35.2	1.9	18	54	0.1	0.2
	Indicated	10.2	3.7	41.3	5.3	8	25.9	4.0	22.9	36.1	1.9	19	55	0.7	0.4
	Total	20.1	5.6	40.8	5.5	7	25.3	4.0	22.6	35.7	1.9	19	55	0.5	0.3
PDM-DSO*	Inferred	7.6	2.5	37.0	6.0	6	38.4	3.5	13.3	22.1*	1.3	17	72	0.2	0.1
	Indicated	10.3	3.1	37.6	3.9	10	40.4	3.7	13.5	22.4*	1.1	20	71	0.7	0.4
	Total	17.8	5.8	37.3	4.8	8	39.6	3.6	13.5	22.3*	1.2	18	72	0.5	0.3
	Total Taralga	37.9	5.7	39.2	5.2	8	32.0	3.8	18.3	35.4	1.6	23	63	0.5	0.3
INVERELL N. NSW [5]	Inferred	17.5	4.7	39.8	4.8	8	27.7	4.3	22.2	31.0	4.2	7	61	2.3	
	Indicated	20.5	4.8	40.6	4.7	9	26.9	4.1	22.5	32.0	4.0	8	60	2.4	
	Total	38.0	4.8	40.2	4.7	9	27.3	4.2	22.4	31.6	4.1	8	61	2.4	
GUYRA N. NSW [6]	Inferred	2.3	4.2	41.4	3.6	12	26.2	3.3	24.6	35.0	2.8	13	56	3.4	
	Indicated	3.8	5.9	43.1	2.6	16	27.3	3.9	24.5	37.4	2.0	18	61	4.4	
	Total	6.0	5.3	42.5	3.0	14	26.9	3.7	24.5	36.5	2.3	16	59	4.0	
GRAND TOTAL ALL AREAS		**137.1**													

* PDM is Al_2O_3 spinel. Al_2O_3 Avl at 225°C is >35%

Explanations: All resources 100% owned & unencumbered. Resource tonnage estimates are quoted as in-situ, pre mined tonnages. All assaying done at NATA-registered ALS Laboratories, Brisbane. **Chemical definitions:** Leach conditions to measure available alumina "Al2O3 Avl" & reactive silica "Rx SiO2" is 1g leached in 10ml of 90gpl NaOH at 143°C for 30 minutes. LOI = loss on ignition at 1000°C. "Avl/Rx" ratio is (Al203 Avl)/(Rx SiO2) and "A/S" ratio is Al203/SiO2. Values above 6 are good, above 10 are excellent. Tonnage is for bauxite in-situ. **Lab Yield** is for drill dust samples screened by ALS lab at 0.26mm. Production yields are not directly related and are typically between 60% and 75%. Tonnages requiring no upgrade will have 100% yield. **Resource estimates exclude** large tonnages of potential extensions, overburden & interburden detrital bauxite and underlying transitional bauxite mineralisation. Production will clarify these materials.

The information above relates to Mineral Resources previously reported according to the JORC Code (see Competent Person Statement) as follows:

[1] *Maiden Tasmania Mineral Resource, 5.7 million tonnes announced on 08/11/2012*

[2] *Binjour Mineral Resource, 37.0 million tonnes announced on 18/06/2018 (this report)*

[3] *QLD Mining Lease 80126 Maiden Resource, 3.5 million tonnes announced on 03/12/2012*

[4] *Goulburn Taralga Bauxite Resource Increased by 50% to 37.9 million tonnes announced on 31/05/2012*

[5] *Inverell Mineral Resource update, 38.0 million tonnes announced on 08/05/2012*

[6] *Guyra Maiden Mineral Resource, 6.0 million tonnes announced on 15/08/2011*

[7] *Initial resources for 1st Tasmanian mine, 3.5 million tonnes announced on 24/03/2015*

[8] *Resource Upgrade for Fingal Rail Project, Tasmania announced on 25/08/2016*

Tabulated Resource numbers have been rounded for reporting purposes. The Company conducts regular reviews of these Resources and Reserve estimates and updates as a result of material changes to input parameters such as geology, drilling data and financial metrics.

Global Mineral Resources declared to 18/06/2018 total 137.1 million tonnes.

+Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Australian Bauxite Limited

ABN	**Quarter ended ("current quarter")**
14 139 494 885	31 December 2018

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	39	97
1.2	Payments for		
	(a) exploration & evaluation	(150)	(812)
	(b) development	(765)	(765)
	(c) production	(66)	(227)
	(d) staff costs	(57)	(157)
	(e) administration and corporate costs	(162)	(347)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	11	33
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	Other (research & development refund)	667	667
1.9	**Net cash from / (used in) operating activities**	**(483)**	**(1,511)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(102)	(102)
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	2	-
2.3	Cash flows from loans to other entities	305	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**205**	**(102)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	382	1,519
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**382**	**1,519**
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,740	1,938
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(483)	(1,511)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	205	(102)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	382	1,519
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period***	**1,844**	**1,844**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	47	119
5.2	Call deposits	1,192	1,016
5.3	Bank overdrafts	-	-
5.4	Other (secured bank deposits)	605	605
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**1,844**	**1,740**

6.	**Payments to directors of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to these parties included in item 1.2	Nil
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	Nil

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

$20,000 director fee was paid to Paul Lennon, for his services rendered.

7.	**Payments to related entities of the entity and their associates**	**Current quarter $A'000**
7.1	Aggregate amount of payments to these parties included in item 1.2	Nil
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	Nil

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

N/A

8.	**Financing facilities available** *Add notes as necessary for an understanding of the position*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
8.1	Loan facilities	Nil	Nil
8.2	Credit standby arrangements	Nil	Nil
8.3	Other (please specify)	N/A	N/A

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

N/A

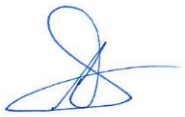
9.	**Estimated cash outflows for next quarter**	**$A'000**
9.1	Exploration and evaluation	25
9.2	Development	50
9.3	Production	75
9.4	Staff costs	70
9.5	Administration and corporate costs	20
9.6	Other (provide details if material)	-
9.7	**Total estimated cash outflows**	**240**

10.	**Changes in tenements (items 2.1(b) and 2.2(b) above)**	**Tenement reference and location**	**Nature of interest**	**Interest at beginning of quarter**	**Interest at end of quarter**
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2	Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.



Sign here: Date: 31 January 2019

(Company secretary)

Print name: Henry Kinstlinger

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.

2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.